Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

SECRET

PAGE 01 DOHA 01181 160855Z
ACTION NEA-10

INFO OCT-01 ISO-00 PM-05 NSC-05 SP-02 SS-15 CIAE-00
INR-10 NSAE-00 OES-09 DODE-00 EB-08 /065 W
----------105012 161018Z /21
R 160726Z AUG 78
FM AMEMBASSY DOHA
TO SECSTATE WASHDC 3823

S E C R E T DOHA 1181

E.O. 11652: GDS
TAGS: ENRG, QA
SUBJECT: HOLCAR OIL--CURRENT STATUS

REF: DOHA 756 AND PREVIOUS

1. BEGIN CONFIDENTIAL: MR. MEDHAT ABDULATIF, OFFICE DIRECTOR OF MINISTER OF FINANCE AND PETROLEUM, BROUGHT UP SUBJECT OF HOLCAR OIL IN MEETING WITH ECON/COMMERCIAL OFFICER MORNING OF AUGUST 15. ACCORDING TO MR. MEDHAT, HOLCAR HAS AGAIN INFORMED MINISTRY BY CABLE OF HOLCAR'S DESIRE TO ARBITRATION. MINISTRY, ACCORDING TO MR. MEDHAT, FEELS THAT THERE IS NO JUSTIFICATION FOR ARBITRATION SINCE MINISTRY EXERCISED CONTRACTUAL OPTION NOT TO RENEW CONCESSION DUE TO HOLCAR'S FAILURE TO PERFORM WORK PROGRAM OR TO KEEP PROPER RECORDS OF EXPENDITURES. MR. MEDHAT SAID THAT HOLCAR CABLE HAD ACCUSED MINISTRY OF NEGOTIATING WITH OTHER FIRMS WHILE HOLCAR'S AGREEMENT WAS IN FORCE. (MR. ABDULLAH SALLAT, DIRECTOR OF PETROLEUM AFFAIRS, HAT TOLD T/C OFFICER OF SUCH NEGOTIATIONS WHICH WERE REPORTED IN PREVIOUS CABLES.) THE HOLCAR CABLE ALSO INCLUDED THREAT TO SUE GOQ AND ANY THIRD PARTIES IF SUCH NEGOTIATIONS CONTINUE OR IF ANY OTHER COMPANY WAS AWARDED HOLCAR CONCESSION. (IN EFFECT, HOLCAR IS SAYING THAT GOQ CONCELLATION OF CONCESSION WAS ILLEGAL AND THAT HOLCAR STILL HAS CONCESSION.)

2. ACCORDING TO MR. MEDHAT, GOQ IS NOT WORRIED ABOUT BEING SUED BECAUSE, HE SAID, ASIDE FROM THE MERITS OF GOQ CASE, GOQ COULD
SECRET

SECRET

PAGE 02 DOHA 01181 160855Z

ALWAYS EXERCISE SOVEREIGN RIGHT TO REMOVE ANY FIRM FROM QATAR. MR. MEDHAT SAID THAT THIS ARGUMENT HAS NEVER BEEN USED BECAUSE GOQ CASE AGAINST HOLCAR IS SO STRONG AND BECAUSE GOQ NEITHER WANTS TO USE ITS RIGHT TO EXPROPRIATE NOR DOES IT DESIRE TO GET INTO ANY WRANGLE WITH THE USG OVER EXPROPRIATIONS. GOQ DOES NOT, ACCORDING TO MR. MEDHAT, CONSIDER THAT IS HAS EXPROPRIATED HOLCAR PROPERTY BUT RATHER THAT IT HAS EXERCISED ITS CONTRACT OPTION TO

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

CANCEL THE CONCESSIONARY AGREEMENT FOR CAUSE AT WHICH TIME ALL COMPANY RESOURCES IN QATAR AUTOMATICALLYACCURED TO GOQ.

3. MR. MEDHAT IS CONCERNED THAT HOLCAR'S THREATS TO SUE THIRD PARTIES MIGHT DISSUAGE OTHER FIRMS INTERESTED IN THE CONCESSION. HE ALSO IS CONCERNED THAT, IF A THIRD PARTY ACCEPTS THE CONCESSION AND IF HOLCAR CARRIES OUT ITS THREAT TO SUE, WORK PROGRAMS OF THRID PARTIES MIGHT BE DELAYED.

4. FACT THAT MR. MEDHAT BROUGHT THE CASE UP WITH E/C OFFICER INDICATES THAT INTEREST IN CASE HAS MOVED FROM OFFICE OF DIRECTOR OF PETROLEUM AFFAIRS (MR. ABDULLAH SALLAT) UP TO OFFICE OF THE MINISTER. DURING COURSE OF CONVERSATION WITH E/C OFFICER, MR. MEDHAT REFERRED TO PAPERS IN WHAT E/C OFFICER RECOGNIZED AS MINISTER'S BRIEFING FOLDER. THIS INDICATES THAT HOLCAR FILE WAS ON DESK OF MINISTER MORNING OF AUGUST 15 AND EXPLAINS SUDDEN ONE-DAY DELAY OF MEETING BETWEEN MR. MEDHAT AND E/C OFFICER ORIGINALLY SCHEDULED FOR MORNING OF AUGUST 14. (MINISTER APPARENTLY TOOK EXTRA DAY TO DIGEST CONTENTS OF FILE AND GIVE INSTRUCTQONS ON WHAT MR. MEDHAT SHOULD SAY.) FOLDER CONTAINED NUMEROUS PROBLEMS OF MR. EUGENE HOLLEY AND HIS COMPANIES TO WHICH MR. MEDHAT REFERRED DURING DISCUSSION. PRESENCE OF PHOTOSTATS INDICATES THAT QATARI EMBASSY HAS LAUNCHED INVESTIGATION (OR AT LEAST MEDIA SEARCH) INTO HOLLEY/HOLCAR ACTIVITIES. MR. MEDHAT WAS AWARE OF MR. HOLLEY' FINANCIAL PROBLEMS AND OBLIQUELY REFERRED TO MR. HOLLEY'S HAVING BECOME A GOVERNMENT WITNESS IN

SECRET

SECRET

THE GEORGIA BRIBERY CASE. END CONFIDENTIAL

5. BEGIN SECRET: MR. MEDHAT ALSO ALLUDED TO APPARENT ATTEMPTS BY DIRECTOR OF PETROLEUM AFFAIRS, MR. ABDULLAH SALLAT, TO INCRIMINATE HIS FORMER AND POSSIBLE FUTURE BOSS, MR. ALI JAIDAH. WHEN MR. JAIDAH WENT TO VIENNA TO BE DIRECTOR GENERAL OF OPEC, MR. SALLAT MOVED INTO HIS POSITION AS DIRECTOR OF PETROLEUM AFFAIRS. WITH END OF MR. JAIDAH'S TWO-YEAR TERM AS D.G. OF OPEC, HE IS EXPECTED TO RETURN AND TAKE UP OLD POSITION, THUS DEMOTING MR. SALLAT. THERE IS LITTLE LOVE BETWEEN THE TWO MEN AND EITHER WOULD GLADLY BREAK THE OTHER. MR. SALLAT WOULD LIKE TO KEEP HIS PRESENT POSITION AS DIRECTOR AND THE MANY PERQUISITES THAT GO WITH THE TITLE. HE ALSO GENUINELY FEELS THAT HE IS MORE QUALIFIED FOR THE JOB THAN JAIDAH SINCE HE IS A PETROLEUM GEOLOGIST WHILE MR. JAIDAH IS A BUSINESSMAN AND ADMINISTRATOR. MR. SALLAT IS ALSO CERTAIN THAT MR. JAIDAH HAS TAKEN ILLICIT PAYMENTS BUT APPARENTLY CANNOT PRODUCE ENOUGH EVIDENCE TO EXPOSE HIM. MR. SALLAT IS HOPING THAT THE HOLCAR CASE WILL BECOME PUBLIC AND THAT MR. JAIDAH WILL BE DISGRACED. MR. SALLAT KNOWS, HOWEVER, THAT IF HE WISHES TO EXPOSE MR. JAIDAH, THIS MUST HAPPEN BEFORE MR. JAIDAH RETURNS FROM OPEC TO HIS POSITION AT THE SHOULDER OF THE MINISTER. IF MR. JAIDAH RETURNS IN GOOD GRACES, MR. SALLAT KNOWS THAT HE WILL HAVE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

MISSED WITH HIS BEST SHOT AND THAT HIS OWN POSITION WILL BE
EXTREMELY PERILOUS.

6. E/C OFFICER DETECTED FEELING ON PART OF MR. MEDHAT THAT MR.
SALLAT HAD OVERSTEPPED OR ACTED TOO SOON. THIS FEELING WAS ON TWO
LEVELS: FIRSTLY, THAT PRESENT PROBLEM INVOLVING THREAT OF LAWSUITS
BY HOLCAR COULD HAVE BEEN AVOIDED IF MR. SALLAT HAD ACTED TO
CANCEL THE CONCESSION IN A MORE ORDERLY MANNER AND AT A MORE
LEISURELY PACE. SECONDLY, THERE WAS A DISTINCT IMPRESSION THAT
NONE OF THE ACTORS IS OVERLY ANXIOUS TO SAVE MR. JAIDAH'S JOB
FOR HIM, BUT THAT THEY NOW FEAR THAT MR. SALLAT'S MOVES AGAINST
MR. JAIDAH MAY PROVE UNSUCCESSFUL AND BY THEIR LACK OF SUCCESS MAY
STRENGTHEN MR. JAIDAH'S POSITION AND PREEMPT ANY FUTURE MOVES
AGAINST HIM. OVERLAYING THESE FEELINGS WAS THE DISTINCT IMPRESSION
SECRET

SECRET

THAT MR. MEDHAT SEEMED SURE THAT HIS OWN RECORD WAS CLEAR AND THAT
NO MUD WOULD BE SPLASHED ON HIM BUT THAT MR. MEDHAT WAS NOT SO
SURE HE COULD KEEP CLEAN THE NAME OF HIS BOSS, SHAYKH ABD AL-AZIZ
AL-THANI, MINISTER OF FINANCE AND PETROLEUM AND SECOND SON OF THE
AMIR. END SECRET.
JABBOUR

SECRET

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, ARBITRATION, INVESTIGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978DOHA01181
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780335-0033
Format: TEL
From: DOHA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780860/aaaabyde.tel
Line Count: 142
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 24fdf662-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 78 DOHA 756
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1729706
Secure: OPEN
Status: NATIVE
Subject: HOLCAR OIL--CURRENT STATUS
TAGS: ENRG, QA, HOLCAR OIL COMPANY, (ABDULATIF, MEDHAT)
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/24fdf662-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014